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ANDERSEN CONSULTING
ARTHUR ANDERSEN & CO., S.C.

100 Campus Drive
Post Office Box 765
Florham Park, New Jersey 07932

Writer's Direct Dial
201-301-1516

January 13, 1994

Mr. William F. Canton
Acting Secretary
Federal Communications Commission
1919 M Street NW
Washington, D.C. 20554

RE: CC Docket 93-292

Dear Mr. Canton:

I read the recent FCC Notice of Proposed Rulemaking concerning Toll Fraud. As a telecommunications professional who is responsible for my company's communications systems, I am encouraged by the proposed rulemaking because even though I have taken protective steps recommended by our vendors to secure my systems, it is impossible to secure my system 100% from fraud.

PBX owners should not be responsible for toll fraud if we don't control 100% of our destiny. Since our destiny is not only controlled by our PBX security precautions, the law should reflect that. It is preposterous to think that the inter-exchange companies (IXC), and Local exchange companies (LEC), who have a very important part in this issue, have absolutely no legal obligations to warn customers and therefore, no real incentive to stop fraud.

CPEs should be required to provide warnings about the risks of toll fraud with their equipment and provide recommended counter methods. Passwords should be created during the installation of the equipment with the customers full knowledge. CPEs should be required to include security-related hardware and software in the price of their systems

While the programs offered by IXCs, such as MCI Detect, AT&T NetProtect and Sprint Guard have broken new ground in relation to preventing toll fraud, they still don't do enough. Some of these services are too expensive for smaller companies and the educational information is superficial. Monitoring by the IXCs should be a part of the basic interexchange service offerings, as all companies, large and small are vulnerable to toll fraud. If the IXCs were monitoring all traffic, there wouldn't be any cases of toll fraud for periods longer than a day.

Shared liability will require clear definitions of the specific responsibilities of the CPE owner to secure their equipment, the manufacturer to adequately warn the customer of the toll fraud risks associated with features of the CPE, and the IXCs and LECs to offer dectection and prevention programs and educational services. If toll fraud occurs and one of the parties should fail to meet these responsibilities and prove to be negligent, then they should bear the cost of the fraud. I do not

ANDERSEN
CONSULTING
ARTHUR ANDERSEN & CO., S.C.

believe any damages should be awarded to the aggrieved parties. Should all parties have met the aforementioned responsibilities, and toll fraud occurs, then liability should be shared equally.

However, shared liability only addresses the symptom of the problem of toll fraud and not the cause.

The root of this insidious crime of toll fraud is the hacker community. As the information highway widens, so do the endless opportunities for hackers to compromise our communication systems. I do not believe it when the hackers state they only 'hack' to gain knowledge. If this were the case, there wouldn't be a toll fraud problem. While it is the hacker who breaks in to the systems and sells the information, it is the call sell operations that truly profit from it.

Toll fraud is an illegal, fraudulent theft of service. I am encouraged that if we all work together we can make a positive impact on this terrible problem.

Sincerely,

Janice Gelson

KML

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ROBERT·WOOD·JOHNSON
UNIVERSITY HOSPITAL
One Robert Wood Johnson Place
P. O. Box 2601
New Brunswick, NJ 08903-2601 / 908-828-3000

January 11, 1994

Mr. William F. Canton
Acting Secretary
Federal Communications Commission
1919 M Street NW
Washington, DC 20554

Re: CC Docket No. 93-292

Dear Mr. Canton:

I am a telecommunications professional who is responsible for my company's telecommunications systems. I am painfully aware that no matter how many steps I take to secure my systems, I may reduce the risk, but I am still vulnerable to toll fraud. That is why I am so encouraged by the proposed rule making.

PBX owners should not be responsible for 100% of toll fraud if we're not controlling 100% of our destiny. This destiny is ultimately controlled not only by our implementation and proper use of PBX security features, but by the information, equipment and services provided by IXCs, LECs, and CPE vendors. Therefore, the legal obligations of the IXCs, LECs, and CPE vendors should provide the proper incentive to reduce and eliminate all toll fraud.

Current programs offered by some IXCs (Sprint Guard, MCI Detect, and AT&T Netprotect) and insurance companies are too expensive. Monitoring and proper notification by the IXCs must be a part of the basic interexchange service offerings. This should eliminate cases of toll fraud greater than 24 hours.

LECs must also provide monitoring and proper notification as a part of their basic service offerings. Local lines are just as vulnerable to toll fraud. Monitoring and proper notification by all carriers will be even more applicable as the lines between IXCs and LECs become fuzzier.

CPE vendors need to provide security as a part of the cost of doing business instead of as an opportunity to sell additional products and services. CPE vendors should be required to provide warnings about the risks of toll fraud as

it specifically relates to their equipment and to provide solutions to reduce the risk of toll fraud. All CPE should be delivered without standard default passwords, which are well known to the criminal community. All login IDs, including those used by the vendor, should be disclosed at the time of purchase and at installation. All customer passwords should be changed or created at installation and the customer should receive written assurance that all vendor passwords will meet minimum requirements regarding length, change schedule, and alphanumeric format. CPE vendors should be encouraged to offer security-related hardware and software in the price of their systems.

The provisions outlined in the NPRM are fair and equitable. Shared liability will require clearly defining the responsibilities of the

- CPE owner to secure their equipment
- CPE vendors to warn customers of the specific toll fraud risks associated with their equipment
- IXCs and LECs to offer detection, notification, prevention and education offerings and services

If toll fraud occurs due to the negligence of one or more parties, then the financial loss should be equitably distributed among those negligent parties. If there is no proven negligence, the financial loss should be equitably distributed between CPE owner, and all CPE vendor(s), LEC(s) and IXC(s) involved.

Toll fraud is a financially devastating problem that affects the entire telecommunications industry, including users, vendors and carriers. I am sure that if we all work together we can and will make a positive impact on this problem.

Sincerely,

Marilyn A. Wanser

Marilyn A. Wanser
Director
Telecommunications

INTERNATIONAL TELECOMMUNICATIONS

7774 Whipple Avenue NW • North Canton, OH 44720 • Tel. 216/494-5504
• Fax 216/497-6802

DOCKET FILE COPY ORIGINAL

January 10, 1993

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Acting Secretary
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1919 M Street NW
Washington, D.C. 20554

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PBX owners should not be responsible for 100% of the toll fraud if we don't control 100% of our destiny. Since our destiny is not only controlled by our PBX security precautions, but also by the information, services and equipment provided IXCs, LECs and CPEs, the law should reflect that. It is preposterous to think that the IXCs, LECs and CPEs who all have a very important part in this issue, have absolutely no legal obligations to warn customers and therefore, no real incentive to stop fraud.

CPEs should be required to provide warnings about the risks of toll fraud with their equipment and provide recommended counter methods. It is critical that CPEs ship equipment without default passwords which are well known within the hacker community. Passwords should be created during the installation of the equipment with the customers full knowledge. CPEs should be required to include security-related hardware and software in the price of their systems. When you buy a car, the lock and key are provided in the design and price of the car. Not an adjunct that you have to purchase later.

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As hackers begin new methods of breaking in to systems by using local lines instead of 800 numbers, the LECs should be required to offer monitoring services similar to the IXCs.

I applaud the provisions outlined in the NPRM on shared liability. They are fair and equitable. Shared liability will require clear definitions of the specific responsibilities of the CPE owner to secure their equipment, the manufacturer to adequately warn the customer of the of the toll fraud risks associated with features of the CPE, and the IXCs and LECs to offer detection and prevention programs and educational services. If toll fraud occurs and one of the parties should fail to meet these responsibilities and prove to be negligent, then they should bear the cost of the fraud. I do not believe any damages should be awarded to the aggrieved parties. Should all parties have met the aforementioned responsibilities, and toll fraud occurs, then liability should be shared equally.

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Until we come up with an adequate method for law enforcement to catch and prosecute these criminals, toll fraud will continue to grow beyond the $5 billion problem it is today. We must develop legislation that clearly defines and penalizes this criminal activity and gives law enforcement the tools it needs to track and prosecute the perpetrators of toll fraud.

Toll fraud is an illegal, fraudulent theft of service. I am encouraged that if we all work together we can make a positive impact on this terrible problem.

Sincerely,

CENTRAL STATES CAN CO.
700 - 16th STREET, S.E.
P.O. BOX 642
MASSILLON, OHIO 44648-0642
PHONE (216) 833-1011
FAX (216) 833-9932

January 10, 1994

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Acting Secretary
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Toll fraud is an illegal, fraudulent theft of service. I am encouraged that if we all work together we can make a positive impact on this terrible problem.

Sincerely,

Debra S. Erskine
Communications Coordinator

SCHNEIDER® NATIONAL

Customer Service/Corporate Business Center

January 11, 1994

Mr. William F. Canton
Acting Secretary
Federal Communications Commission
1919 M Street NW
Washington, DC 20554

Re: CC Docket no. 93-292

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LECs must also provide monitoring and proper notification as a part of their basic service offerings. Local lines are as vulnerable to toll fraud. As the line between IXC and LEC becomes fuzzier, monitoring and proper notification by all carriers will be even more applicable.

P.O. Box 2545 Green Bay, Wisconsin 54306 414-592-2000

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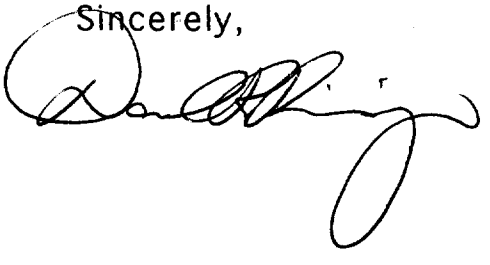
Toll Fraud is a financially devastating problem that effects the entire telecommunications industry including users, vendors and carriers. I am sure, that if we all work together we can and will make a positive impact on this problem.

Sincerely,



Madison Area
Technical College

Beverly S. Simone
President

January 12, 1993

Mr. William F. Canton
Acting Secretary
Federal Communications Commission
1919 M Street NW
Washington, D.C. 20554

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PBX owners should not be responsible for toll fraud which results from exposure not controllable by us. Our destiny is not only controlled by our PBX security precautions, but also by the information, services, and equipment provided by IXCs, LECs and CPEs, the law should reflect that. It is preposterous to think that the IXCs, LECs and CPEs who all have a very important role in this issue, have absolutely no legal obligations to warn customers, and therefore, no real incentive to stop fraud.

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While the programs offered by IXCs, such as MCI Detect, AT&T NetProtect, and Sprint Guard

3550 Anderson Street, Madison, Wisconsin 53704-2599 • (608) 246-6100 • (608) 246-MATC • Fax: (608) 246-6880

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Sincerely,

Jayme Jo Kerr
Telephony Coordinator
Information Systems Department

ADVANCED
MICRO
DEVICES

901 Thompson Place
P.O. Box 3453
Sunnyvale
CA 94088-3000
Tel (408) 732-2400

January 10, 1994

Mr. William F. Canton
Acting Secretary
Federal Communications Commission
1919 M Street NW
Washington, DC 20554

Re: CC Docket No. 93-292

Dear Mr. Canton:

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PBX owners should not be responsible for 100% of toll fraud if we are not controlling 100% of our destiny. This destiny is ultimately controlled by not only our implementation and proper use of PBX security features but by the information, equipment and services provided by IXCs, LECs and CPE vendors. The legal obligations of IXCs, LECs and CPE vendors should provide the proper incentive to reduce and eliminate all toll fraud.

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Toll Fraud is a financially devastating problem that effects the entire telecommunications industry including users, vendors and carriers. I am sure, that if we all work together, we can and will make a positive impact on this problem.

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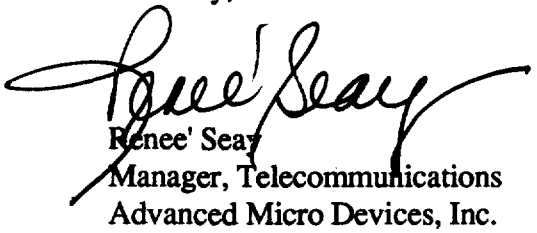

Renee' Seay
Manager, Telecommunications
Advanced Micro Devices, Inc.

January 11, 1994

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Acting Secretary
Federal Communications Commission
1919 M Street NW
Washington, DC 20554

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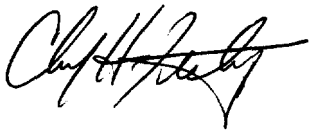

Schindler Elevator Corporation

Schindler Elevator Corporation
20 Whippany Road
Morristown, NJ 07960-4539

Telephone: (201) 984-9500

Mail Address:
P.O. Box 1935
Morristown, NJ 07962-1935

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Schindler

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Sincerely,

Ramesh Desai

Ramesh Desai

January 11, 1994

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Current programs offered by some IXCs (Sprint Guard™, MCI Detect™, and AT&T Netprotect™) and insurance companies are too expensive. Monitoring and proper notification by the IXCs must be a part of the basic interexchange service offerings. This should eliminate cases of toll fraud greater then 24 hours.

LECs must also provide monitoring and proper notification as a part of their basic service offerings. Local lines are as vulnerable to toll fraud. As the line between IXC and LEC becomes fuzzier, monitoring and proper notification by all carriers will be even more applicable.

CPE vendors need to provide telecommunications security as a cost of doing business instead of an opportunity to sell additional products and services. CPE vendors should be required to provide warnings about the risks of toll fraud, as it specifically relates to their equipment and provide solutions to reduce the risk of toll fraud. All CPE should be delivered without standard default passwords, which are well known to the criminal community. All login IDs, including those used by the vendor, should be disclosed at the time of purchase and at installation. All customer passwords should changed or created at installation and the customer should receive written assurance that all vendor passwords will meet minimum requirements regarding length, change schedule, and alpha numeric format. CPE vendors should be encouraged to offer security related hardware and software in the price of their systems.

The provisions outlined in the NPRM are fair and equitable. Shared liability will require clearly defining the responsibilities of the;

- CPE owner to secure their equipment
- CPE vendors to warn customers of the specific toll fraud risks associated with their equipment
- IXCs and LECs to offer detection, notification, prevention, and education offerings and services

If toll fraud occurs due to the negligence of one or more parties then the financial loss should be equitably distributed among those negligent parties. If their is no proven negligence the financial loss should be equitably distributed among CPE owner, and all CPE vendor(s), LEC(s) and IXC(s) involved.

Toll Fraud is a financially devastating problem that effects the entire telecommunications industry including users, vendors and carriers. I am sure, that if we all work together we can and will make a positive impact on this problem.

Sincerely,

Nila J. P. DiDonna

Nila J. P. DiDonna

RTC
RESOLUTION TRUST CORPORATION
DENVER OFFICE
Resolving The Crisis
Restoring The Confidence

January 10, 1993

Mr. William F. Canton
Acting Secretary
Federal Communications Commission
1919 M Street NW
Washington, D.C. 20554

RE: CC Docket 93-292

Dear Mr. Canton:

It was with great interest I read the recent FCC Notice of Proposed Rulemaking concerning Toll Fraud. As a telecommunications professional who is responsible for my company's communications systems, I am encouraged by the proposed rulemaking because even though I have taken each and every protective step recommended by the IXC's and CPE vendors to secure my systems, I can still experience toll fraud. It is impossible to secure my system 100% from fraud.

PBX owners should not be responsible for 100% of the toll fraud if we don't control 100% of our destiny. Since our destiny is not only controlled by our PBX security precautions, but also by the information, services and equipment provided IXCs, LECs and CPEs, the law should reflect that. It is preposterous to think that the IXCs, LECs and CPEs who all have a very important part in this issue, have absolutely no legal obligations to warn customers and therefore, no real incentive to stop fraud.

CPEs should be required to provide warnings about the risks of toll fraud with their equipment and provide recommended counter methods. It is critical that CPEs ship equipment without default passwords which are well known within the hacker community. Passwords should be created during the installation of the equipment with the customers full knowledge. CPEs should be required to include security-related hardware and software in the price of their systems. When you buy a car, the lock and key are provided in the design and price of the car. Not an adjunct that you have to purchase later.

While the programs offered by IXCs, such as MCI Detect, AT&T NetProtect and Sprint Guard have broken new ground in relation to preventing toll fraud, they still don't do enough. Some of these services are too expensive for smaller companies and the educational information is superficial. Monitoring by the IXCs should be a part of the basic interexchange service offerings, as all companies, large and small, are vulnerable to toll fraud. If the IXCs were monitoring all traffic, there wouldn't be any cases of toll fraud for periods longer than a day.

1515 Arapahoe St., Tower 3, Suite 800, Denver, CO 80202
Mailing Address: P.O. Box 5125, Denver, CO 80217
(303) 556-6500
(800) 542-6135

As hackers begin new methods of breaking in to systems by using local lines instead of 800 numbers, the LECs should be required to offer monitoring services similar to the IXCs.

I applaud the provisions outlined in the NPRM on shared liability. They are fair and equitable. Shared liability will require clear definitions of the specific responsibilities of the CPE owner to secure their equipment, the manufacturer to adequately warn the customer of the of the toll fraud risks associated with features of the CPE, and the IXCs and LECs to offer detection and prevention programs and educational services. If toll fraud occurs and one of the parties should fail to meet these responsibilities and prove to be negligent, then they should bear the cost of the fraud. I do not believe any damages should be awarded to the aggrieved parties. Should all parties have met the aforementioned responsibilities, and toll fraud occurs, then liability should be shared equally.

However, shared liability only addresses the symptom of the problem of toll fraud and not the cause.

The root of this insidious crime of toll fraud is the hacker community. As the information highway widens, so do the endless opportunities for hackers to compromise our communication systems. I do not believe it when the hackers state they only 'hack' to gain knowledge. If this were the case, there wouldn't be a toll fraud problem. While it is the hacker who breaks in to the systems and sells the information, it is the call sell operations that truly profit from it.

Until we come up with an adequate method for law enforcement to catch and prosecute these criminals, toll fraud will continue to grow beyond the $5 billion problem it is today. We must develop legislation that clearly defines and penalizes this criminal activity and gives law enforcement the tools it needs to track and prosecute the perpetrators of toll fraud.

Toll fraud is an illegal, fraudulent theft of service. I am encouraged that if we all work together we can make a positive impact on this terrible problem.

Sincerely,

Pat Linzbach

Pat Linzbach
Telecommunications Manager

Sea Ray®

A BRUNSWICK MARINE Company

January 10,1994

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Federal Communications Commission
1919 M. Street NW
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PACE

People Achieving Customer Expectations

Sea Ray Boats, Inc.
World Headquarters • 2600 Sea Ray Blvd., Knoxville, TN 37914 • 615-522-4181

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Sincerely,

SEA RAY BOATS, INC.

Timothy M. Dentz
Operations Manager, MIS

TMD/ddk

ARTHUR ANDERSEN

ARTHUR ANDERSEN & Co. SC

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JAN 19 1994

FCC MAIL ROOM

January 12, 1994

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Acting Secretary
Federal Communications Commission
1919 M Street NW
Washington, D.C. 20554

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